

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:1427
ANSWERED ON:08.03.2002
IMPORT BY FOREIGN COMPANIES IN INDIA
ALE NARENDRA

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the items imported by the foreign companies in India on which customs duty has been reduced;
- (b) whether as a result thereof the rates of indigenous goods have become much higher than the foreign goods;
- (c) if so, whether the Government propose to adopt a concrete policy to boost export of indigenous goods; and
- (d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI RAJIV PRATAP RUDY)

(a) to (d) The customs duties on imports are being reduced, as part of the economic liberalization policy being followed by the Government since early 90's. Custom tariff on all commodities is decided taking into account various factors including the interests of domestic producers. The likely import of any particular item by a foreign company is not one of the criteria for reduction in customs duty. Directorate General of Commercial Intelligence and Statistics (DGCI&S), the official agency for compilation of trade data, does not compile company-wise trade statistics.

The reduction in custom duty rates has not altered the overall rate of growth of imports of the country. The growth rate of imports was 15.3% in 1993-94, 23.1% in 1994-95, 36.4% in 1995-96, 13.2% in 1996-97, 11% in 1997-98, 14.2% in 1998-99 and 13.6% in 1999-2000(in rupee. terms). The import growth rate during the year 2000-2001 was only 5.59% in rupee terms and 0.27% in US dollar terms. The growth rate of imports during the first nine months of this financial year was only 0.31% in Dollar terms and 4.55% in Rs. terms, compared to the same period last year. The Government is committed to providing an encouraging policy regime to boost exports from India. Towards this end, the Government has recently formulated a medium term export strategy for the period 2002-2007 with a view to achieving a share of at least 1% of world trade by the year 2007. Copies of this document are available in the parliament library.